

Revenue Sources and Trends

While property taxes are used to finance a variety of services, other County revenues are linked to specific programs; solid waste assessments finance the waste disposal programs, gasoline taxes finance public transportation, roadway construction and maintenance, and impact fees finance capital improvements related to transportation, parks, police, fire and solid waste programs. The use of standard definitions is mandated by Florida Statute Section 218.33 and ensures consistency among the various financial reports. Following are the various revenue resources and underlying assumptions.

Taxes - Charges levied by the County, including ad valorem taxes net of discounts, penalties and interest. This category includes sales, gas taxes, and local tourist taxes, which are estimated based on State supplied forecasts.

Revenue: Property Taxes

Fund/Account Number: 001/311100, 101/311100, 141/311100, 146/311100, 147/311100, 148/311100, 149/311100

Description: Revenue derived from taxes levied on all real and personal property located in Monroe County

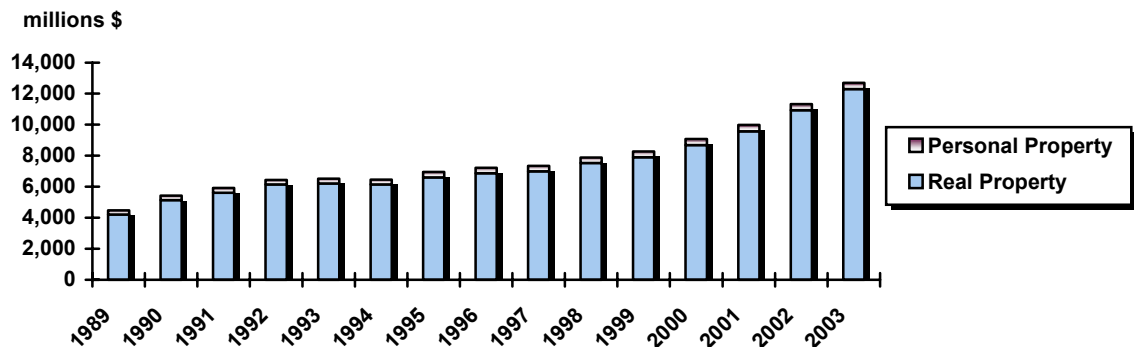
Legal Authority: Florida Statute, Chapter 200.

Fees: See "Ad Valorem Millage Summary."

Restrictions: Property taxes are part of General Fund revenue to be used upon the discretion of the Board of County Commissioners.

Constraints: F.S. Section 200.081 states: "No municipality shall levy ad valorem taxes against real properties and tangible personal properties and tangible personal property in excess of 10 mills, except for voted levies."

History/Trends: 1994 experienced a slight decline due to hurricane Andrew. Overall property values have had a strong trend upward. Recent incorporation of Islamorada and Marathon reduced the special districts ad valorem tax base affecting funds 141, 147, and 148. ¹



Assumptions: Approximately 22 percent of the County's revenue comes from property taxes generated by ad valorem levies adopted by the Board of County Commission. Separate taxing authorities levy property taxes for the schools, hospital, and water management districts. The principal factors that underlie increases in revenues are growth in population, increases in buying power, increases in property values, and inflation.

Revenue: Local Government Infrastructure Surtax

Fund/Account Number: 304/312600

Description: The Infrastructure Surtax may be levied countywide, with referendum approval, by the governing board of the county or the governing bodies of municipalities representing a majority of the county population.

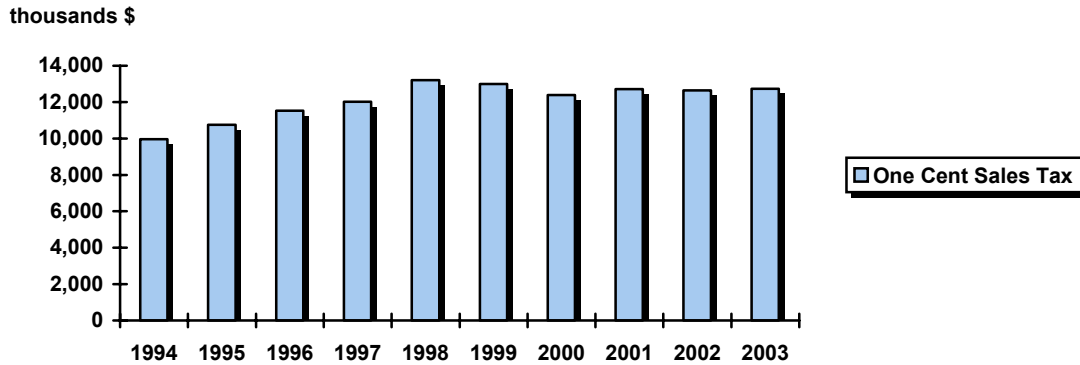
Legal Authority: Florida Statute, Chapter 212.055 (2), Monroe County Article XX.

Fees: One- percent sales tax.

Restrictions: The Infrastructure Surtax expires in 2018. These revenues can be used to finance, plan, and construct infrastructure and to acquire land for public recreation or conservation or protection of natural resources. In addition, Monroe County may use up to 10% these proceeds for any public purpose provided the debt service obligations are met; the County's comprehensive plan is in compliance with the Growth Management Act; and the County adopted an amendment to the ordinance levying the surtax.

History/Trends: The County's share of this tax declined in 1998 due to the incorporation of Islamorada. However, due to a strong economy the amount the County actually received increased in 1998. The County's share declined in 2000 due to the incorporation of Marathon.

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Assumptions: This revenue source is expected to increase slightly over the coming yearⁱⁱ.

Revenue: Constitutional Gas Tax

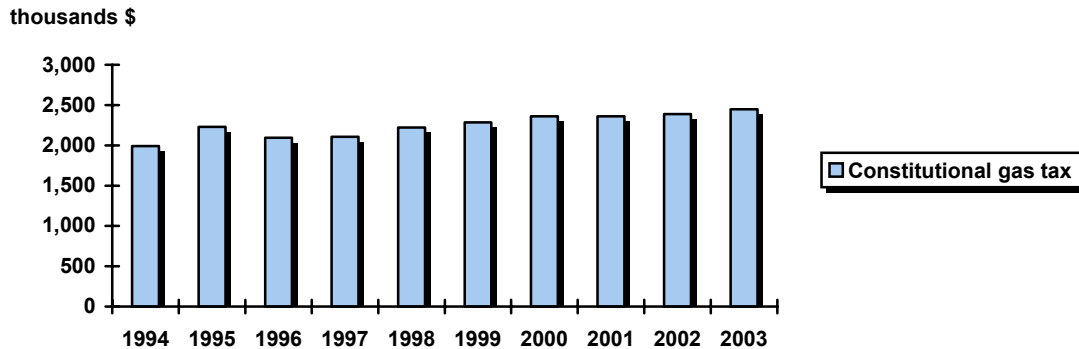
Fund/Account Number: 102/335492, 102/335498

Description: This two cents per gallon tax on motor fuel and special fuel (diesel) tax is collected by the Florida State Department of Revenue (DOR) and is transferred to the State Board of Administration (SBA) for allocation.

Legal Authority: Florida Constitution Art. XII, s. 9(c) (4), F.S. 206.41 and 206.47.

Restrictions: This tax can only be used for construction of transportation related purposes.

History/Trends:



Assumptions: This revenue source is expected to increase slightly over the coming year..ⁱⁱⁱ

Revenue: County Fuel Tax

Fund/Account Number: 102/335490

Description: The Florida Legislature has levied a one cent per gallon tax on motor fuel and special fuel for distribution to county governments pursuant to the same formula used to distribute the constitutional gas tax.

Legal Authority: Florida Statute, Chapter 206.60(6).

Restrictions: The funds from this tax can be used by counties for transportation related expenses, including the reduction of bond debt incurred for transportation purposes.

Assumptions: This revenue source is expected to increase slightly over the coming year.^{iv}

Revenue: Local Option and Ninth-Cent Fuel Taxes.

Fund/Account Number: 102/312301, 102/312401

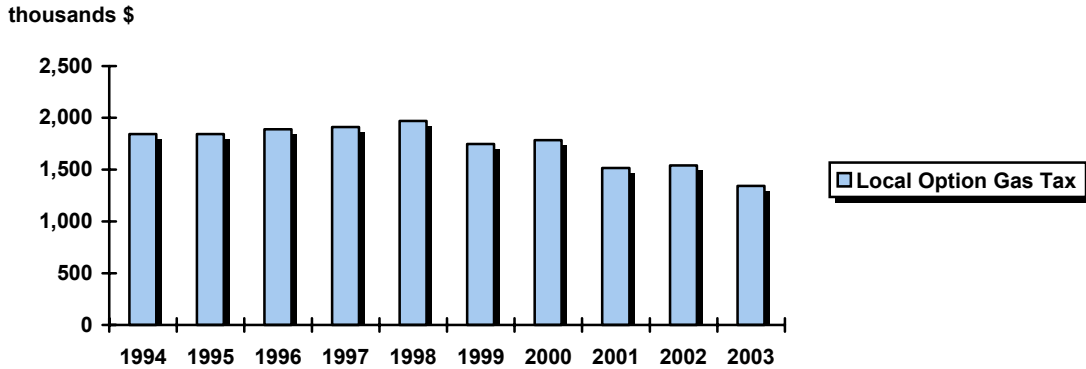
Description: In addition to the two cent constitutional gas tax and the one cent County Gas Tax, counties may impose up to twelve cents of local option motor fuel taxes. Monroe County levies six cents. The statutes divide the twelve cents of optional motor fuel taxes into three categories: the original six cents motor fuel tax, the new five cents tax as created in the Environmental Lands Management (ELMS), and the penny tax titled the "Ninth Cent."

Legal Authority: Florida Statute, Chapters 336.025 (1) (a), 336.025 (1) (b), and 336.021 respectively.

Revenue Sources and Trends

Restrictions: The statutorily authorized uses of the three taxes differ, as do the methods of imposition and the requirement that the revenue be shared with municipalities. The principal distinction among the uses of the three taxes is that the Original Six Cents Gas Tax may be used by Small Counties for transportation and other infrastructure projects under certain circumstances, but the uses of the ELMS Five Cents Gas Tax and the Ninth Cent are restricted solely to transportation expenditures.

History/Trends: The Local Option Gas Tax is the larger of the two and has a downward trend. The amount that the county receives was reduced due to the Incorporation of Islamorada and the Incorporation of Marathon.



Assumptions: The Local Option Gas Tax distribution is affected by municipal incorporations and is expected to increase slightly over the coming year ⁱⁱ.

Revenue: Tourist Development Taxes.

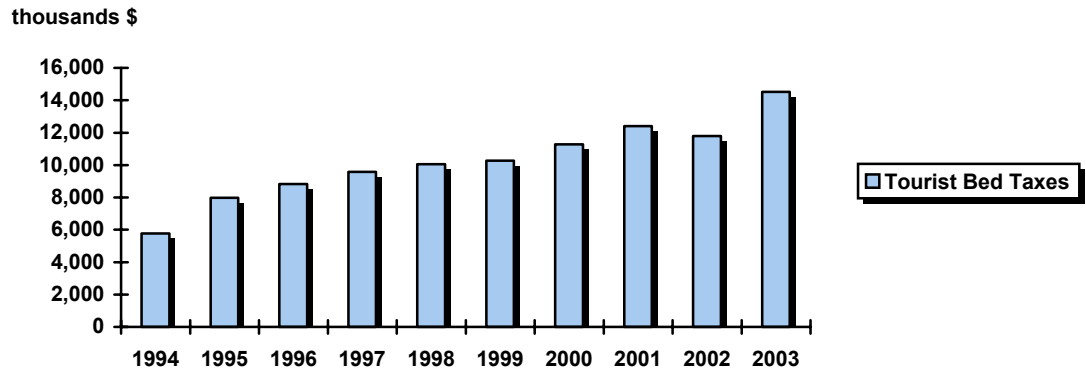
Fund/Account Number: 115/312120, 116/312120, 117/312130, 118/312130, 119/312130, 120/312130, 121/312130.

Description: After being suggested by the Tourist Development Council, whose members are appointed by the BOCC, the initial tourist development tax received referendum approval prior to imposition. Subject to a 1%, 2%, or 3% tax are most rents, leases or lets, which have been contracted for periods of six months or less, or living accommodations in hotels, motels, apartment houses, rooming houses, mobile home parks, and the like. The taxes are collected and administered by the Florida Department of Revenue.

Legal Authority: Florida Statute, Chapters 125.0104 (3) (c), 125.0104 (3) (d), 125.0104 (n).

Restrictions: The revenue must generally be used to promote tourism, to build convention and tourist bureaus, and to finance beach improvements. Smaller counties may also use the revenue to build and upgrade fishing piers, museums, parks and nature centers.

History/Trends:



Assumptions: This revenue source is expected to increase slightly over the coming year ¹.

Licenses and Permits - Includes occupational licenses, competency and building permits.

Revenue: County Occupational License Taxes.

Fund/Account Number: 001/321000.

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Description: Florida law authorizes a county to levy an occupational license tax on the privilege of engaging in or managing any business, profession or occupation within its jurisdiction.

Legal Authority: Florida Statutes, Section 205.032 and 205.033

Restrictions: None

History/Trends: Prior to 1972, the State had imposed an occupational license tax and shared the revenues with counties. In 1972, Florida repealed the State tax and authorized counties to impose an occupational tax at the State rate then in effect. Chapter 80-274, Laws of Florida, authorized an increase in the tax, but capped the rate of increase.

Assumptions: This revenue source is expected to remain stable over the coming year.

Revenue: Building Permits.

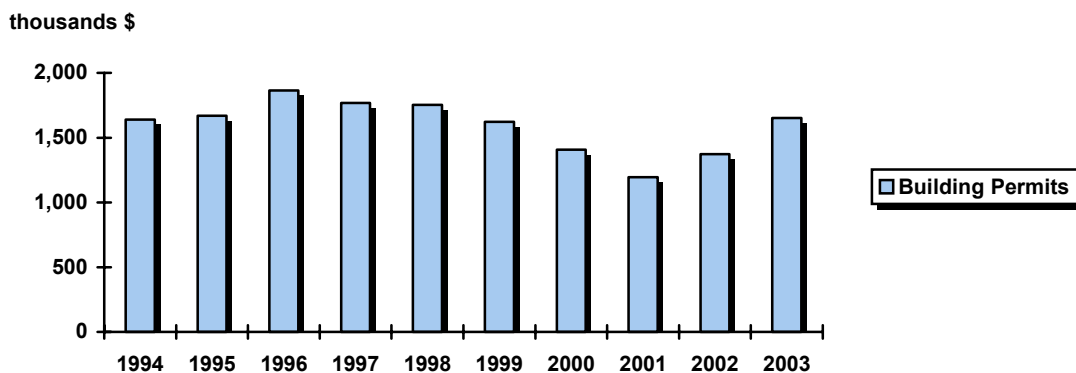
Fund/Account Number: 148/322005.

Description: Florida law authorizes

Legal Authority: Monroe County Code

Restrictions: For use in unincorporated areas.

History/Trends:



Assumptions: A continued downward trend is expected in this category due to building moratoriums.

Intergovernmental Revenue - Includes revenues received from federal, state and other local government sources in the form of grants, shared revenues and payments in lieu of taxes. The latter two categories are estimated using State supplied calculations.

Revenue: Sales Tax - Local 1/2 cent.

Fund/Account Number: 001/335180, 148/335180.

Description: The local Government Half-Cent Sales Tax Program returns to cities and counties a portion of the sales tax proceeds remitted to the State of Florida.

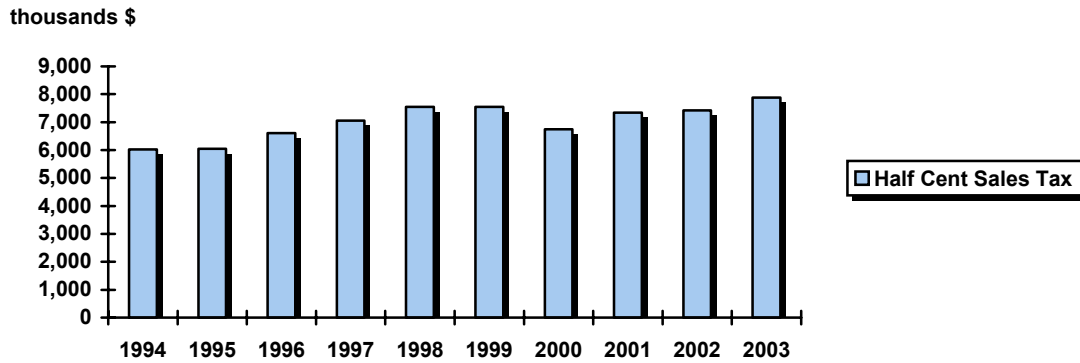
Legal Authority: Florida Statutes Chapter 218. Part IV.

Fees:

Restrictions: A proportion of the sales tax shall be expended only for countywide tax relief or countywide programs. The remaining portion shall be deemed revenues derived on behalf of the unincorporated area but may be expended on a countywide basis.

History/Trends: In 1985 the sales tax distribution formula was changed to a fixed 9.697% of all sales tax proceeds remitted to the State. In 1987 the "Sales and Use Tax on Services" was repealed, and at the same time the sales tax was increased from 5% to 6%. Because of the anticipated decrease of the overall tax base, the percentage reimbursed to the counties and cities was increased to the current 9.888% effective July 1, 1988. Up through fiscal year 1999 this revenue source was placed entirely in the General Fund to be used for countywide tax relief. In fiscal year 2000, the portion of this revenue source that by law is considered to be "derived on behalf of the unincorporated area" started to go into the general purpose municipal service taxing unit fund to be used for unincorporated area tax relief.

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Assumptions: This revenue source is expected to increase slightly over the next year.^v

Revenue: State Revenue Sharing.

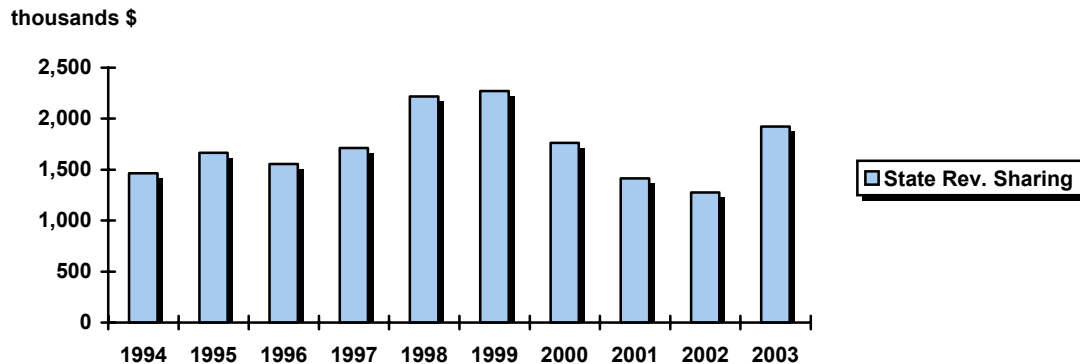
Fund/Account Number: 001/335120.

Description: The state shares 2.9 percent of the net cigarette tax collections and 33.5 percent of intangible tax revenues with the counties pursuant to sections 210.20 (2) (a) and 199.292, Florida Statutes.

Legal Authority: Florida Statutes Chapter 218 Part II, the Florida Revenue Sharing Act of 1972.

Restrictions: This source provides three categories of uses of the state revenue sharing moneys received by counties, money the use of which is restricted by statute. The first category, the guaranteed entitlement, which is roughly equal to the amount a county received in the 1971-1972 fiscal year, may be pledged and used for any county purpose. The second guaranteed entitlement, which equals the difference in the amount a county received in the 1981-1982 fiscal year minus the guaranteed entitlement, may be pledged and used for any county purpose, including acquiring insurance contracts from a local government liability pool. The remainder of the revenue may be used for any public purpose.

History/Trends: This revenue source has decreased due to changes in the intangibles tax law.



Assumptions: This revenue source will be affected by changes in the intangibles tax law. No major changes are expected for this revenue source in the upcoming yearⁱⁱ.

Charges for Services - Reflects all revenues stemming from charges for current services including solid waste assessments, tipping fees, recording fees, county officer fees and county and circuit court fees. These sources are estimated using trend analysis.

Revenue: Solid Waste Assessments and Tipping Fees.

Fund/Account Number: 414/313700, 414/343405, 414/343420, 414/343421, 414/343450.

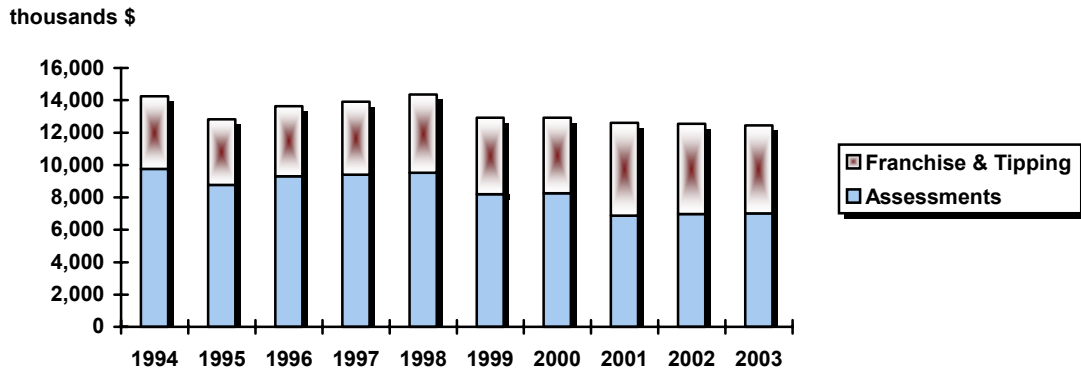
Description: The annual special assessment imposed upon lots or parcels of improved property in the Monroe County Solid Waste Municipal Service Benefit Unit created under section 8-94. It is the intent of the Board of County Commissioners to require owners and occupants of all improved property within the unit to have domestic solid waste and special waste generated on such improved property collected and disposed of in a proper, sanitary and efficient manner.

Legal Authority: Florida Statute 125, Monroe County Code Article IV, Sections 8-71 through, 8-107.

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Restrictions: These funds are restricted in use to collection, disposal, and recycling of solid wastes and to debt service payments for solid waste facilities.

History/Trends:



Assumptions: The Islamorada incorporation in 1998 reduced the number of properties against which solid waste assessments could be levied. The Marathon incorporation in November of 1999 caused a shift in revenues. Revenues generated from Marathon are no longer county assessments they fall into the franchise and tipping category. There is no change expected for the coming year.

Revenue: Airport Fees.

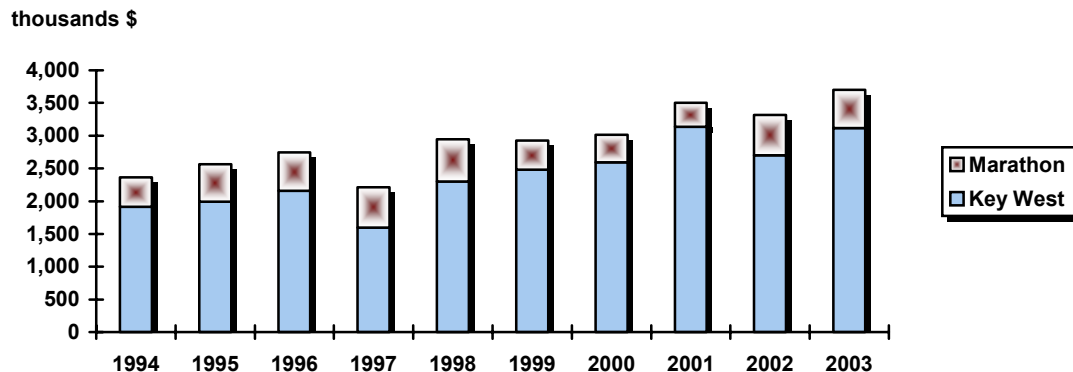
Fund/Account Number: 403/344101, 403/344102, 404/344101, 404/344102, 404/344103.

Description: Passenger fees, airport leases, and other airport fees collected for the operation of Monroe County's two municipal airports, in Key West and Marathon.

Legal Authority:

Restrictions: These funds are restricted to support airport operations and maintenance.

History/Trends: Marathon Airport has had difficulty in attracting and retaining regular carrier services. Key West Airport is near saturation in passenger aircraft traffic.



Assumptions: Airport revenue is expected to be less stable as a result of the September 11th attacks.

Revenue: Clerk Fees.

Fund/Account Number: 001/341111, 001/341530, 001/341540, and 001/341909.

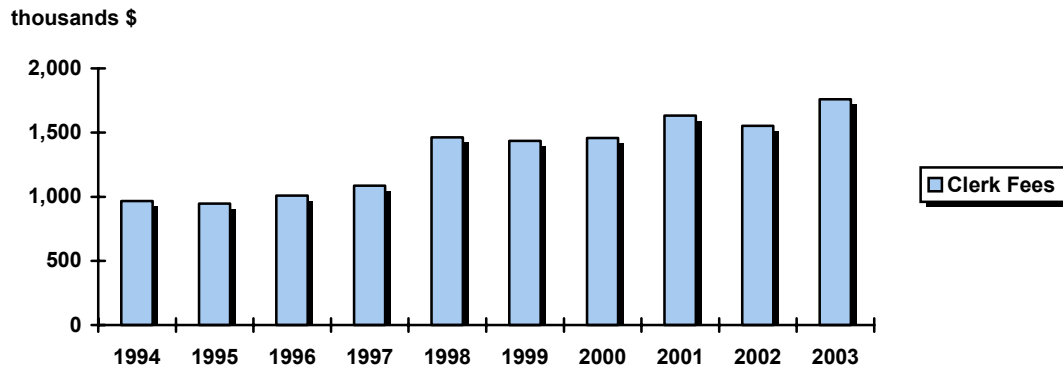
Description: Fees received by the clerk of the circuit court for indexing and recording, making transcripts of record, and preparing affidavits.

Legal Authority:

Restrictions:

History/Trends: Note that there was an accounting classification change in 1998.

Revenue Sources and Trends



Assumptions: There is no significant growth expected for this revenue source in the coming year.

Fines and Forfeits - Includes revenues received from fines and penalties imposed for the commission of statutory offenses and violation of administrative rules. Forfeits include confiscations, and proceeds from the sale of contraband property seized by law enforcement agencies.

Revenue: Clerk Fines.

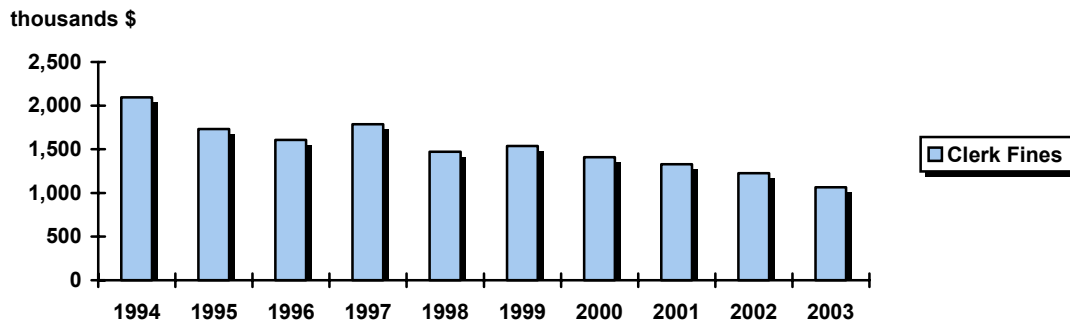
Fund/Account Number: 101/351300.

Description: Fines collected by the Clerk of Courts.

Legal Authority: Florida Statute Chapter 142.

Restrictions: Uses confined to payment of criminal expenses, fees, and costs.

History/Trends: Note that these revenue losses are somewhat offset by prisoner housing revenues due to the new jail facility and vary in 1998 due to accounting classification changes.



Assumptions: The general decline in this revenue source is attributed to the ability to keep lawbreakers in the new jail facility and therefore avoid re-occurring convictions and consequent fines. This is expected to remain level in the coming year.

Miscellaneous Revenues - Includes interest, rents and royalties, special assessments, impact fees, disposition of fixed assets, sale of surplus property and contributions estimated by trend analysis.

Revenue: Interest Earnings

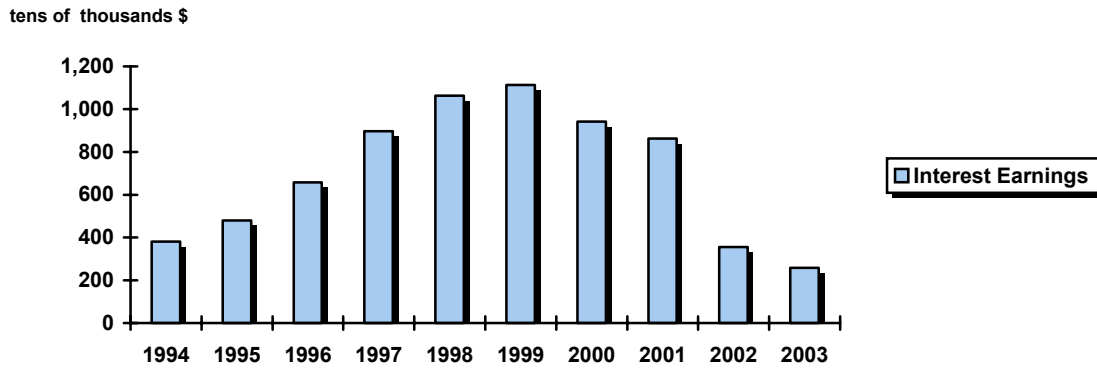
Fund/Account Number: All/361005.

Description: Interest income from investment of cash balances.

Restrictions: None.

History/Trends: These earnings are a reflection of fund balances (or retained earnings in proprietary funds) in all of the funds.

Revenue Sources and Trends



Assumptions: Efforts to restore healthy fund balances were undertaken in 1994. Fund balance levels will be affected by the policies the BOCC adopted during the fiscal year 02 budget process. Interest earnings declined in FY's 2002 and 2003 due to Federal Reserve interest rate cuts.

Other Sources - Amounts received by the County which are not additions to assets of the County as a whole. These items include interfund transfers, bond proceeds and fund balances.

Revenue: Fund Balance Forward

Fund/Account Number: All funds/389002, 389003, 389004.

Description: Excess of revenues over expenditures is carried forward to support the next year's budget. Although not a revenue in the ordinary sense, these surplus funds are appropriated in the next year's budget.

Restrictions: Only as restricted by fund.

History/Trends: See "Projected Changes in Fund Balances."

ⁱ Monroe County Property Appraiser, Form DR 420.

ⁱⁱ Florida Legislative Committee on Intergovernmental Relations, <http://fcn.state.fl.us/lcir/reports/lgfi02.pdf>, accessed November 27, 2002.

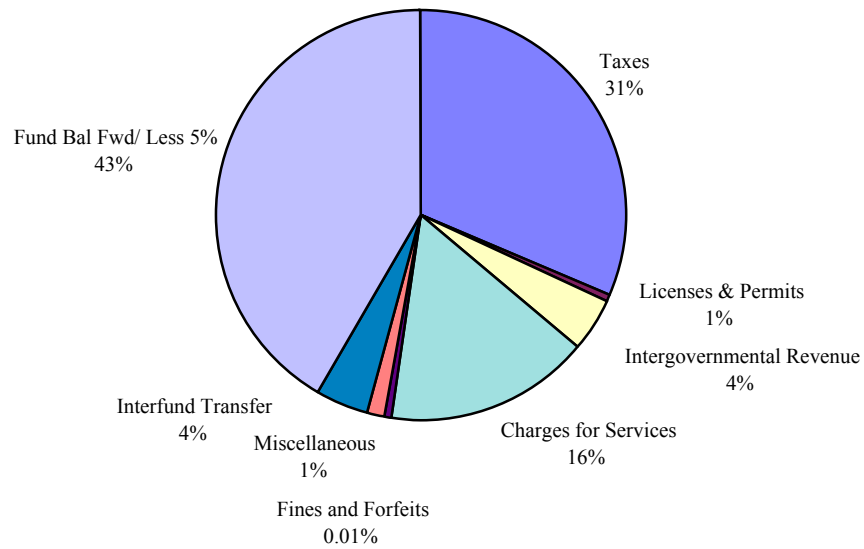
ⁱⁱⁱ Ibid..

^{iv} Ibid.

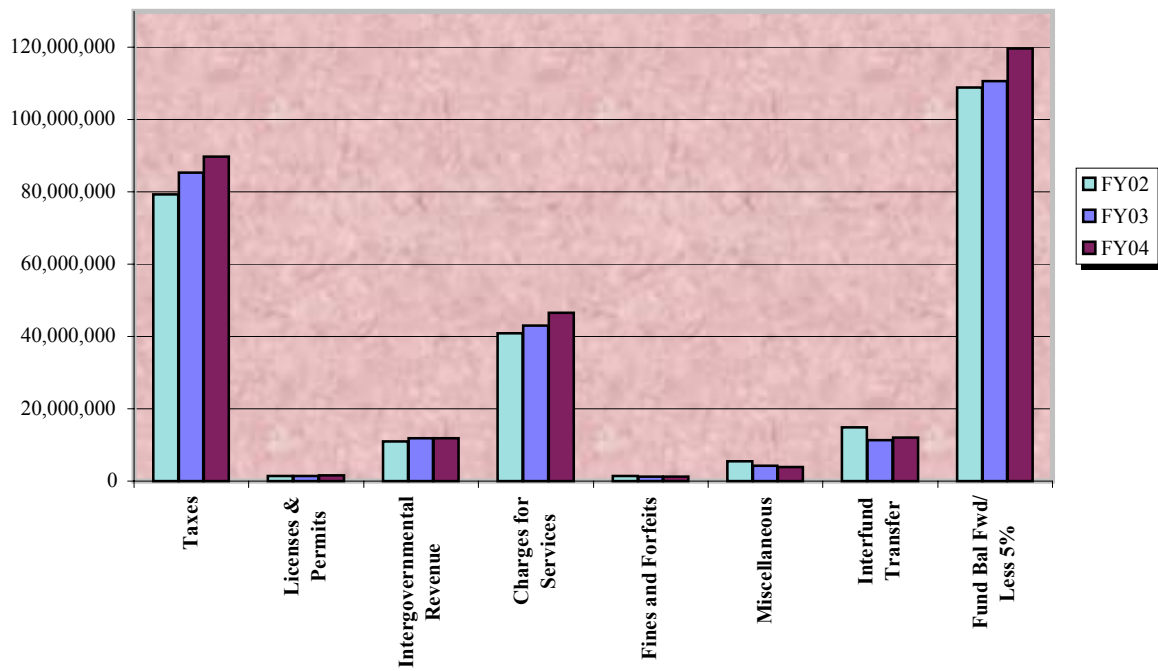
^v Ibid.

Revenue Budget Trends

**Fiscal Year 2004
Sources of Revenues**

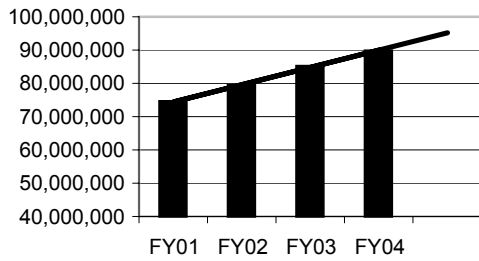


**Three Year Trend
of Revenue Sources**

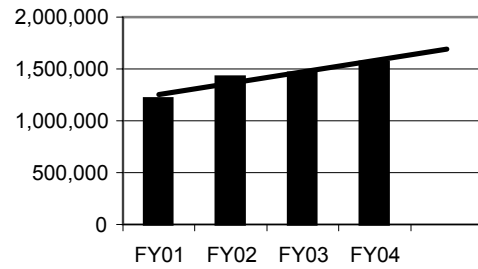


Revenue Budget Trends

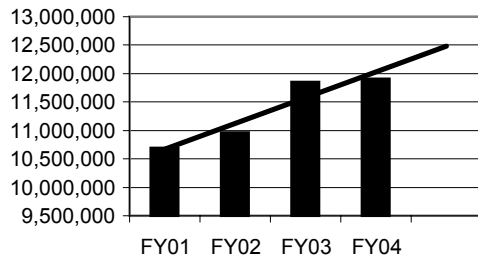
Taxes



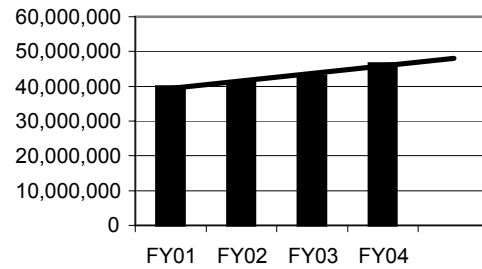
Licenses & Permits



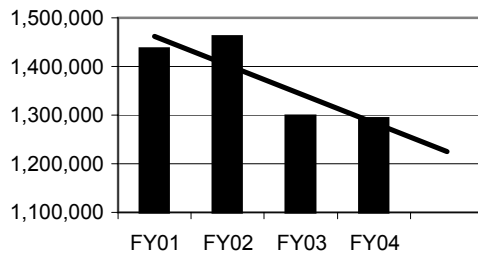
Intergovernmental Revenues



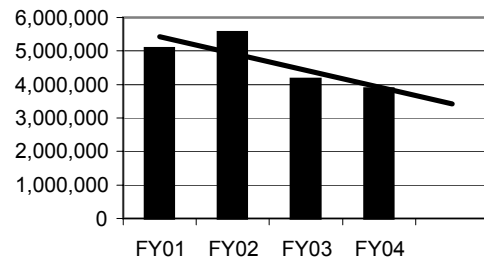
Charges for Services



Fines & Forfeits



Miscellaneous Revenue



Other Sources

